



The Secretary for Health Services

COMMONWEALTH OF KENTUCKY

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PAUL E. PATTON
GOVERNOR

MARCIA R. MORGAN
SECRETARY

July 26, 2002

Dear Colleague:

As you know, KRS 205.6312, as amended by the 2002 General Assembly, requires the Cabinet for Health Services to establish co-payments for specified Medicaid services. We will be implementing the required pharmacy co-payment effective August 1, 2002. Because of your interest in health care services for low-income populations, I want to share information about our plans for implementing the pharmacy co-payment with you.

The co-payment will be \$1.00 for each prescription filled, and will apply to both Medicaid and KCHIP recipients. The following recipient groups will be exempt from the co-payment, based on the exemptions permitted by Federal and state law:

- Children under age 18
- Pregnant women (including presumptively eligible pregnant women) and women during the 60-day postpartum period following delivery
- Residents of a nursing facility, personal care home or intermediate care home for people with mental retardation (ICF/MR)
- Recipients receiving hospice services
- Foster children in state custody.
- Passport Health Plan members, except for drugs prescribed by a psychiatrist.

In addition, contraceptives will be exempt from the co-payment, as required by Federal law.



"...promoting and safeguarding the health and wellness of all Kentuckians."

EQUAL OPPORTUNITY EMPLOYER M/F/D

Dear Colleague
July 26, 2002
Page Two

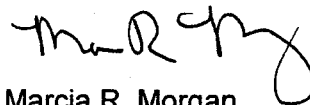
All other recipients will be required to pay the co-payment to the pharmacy when they receive their prescription medication. We have advised recipients and pharmacists that if the recipient is unable to pay when they receive their prescription, they will still owe the co-payment and should pay it at the next visit to the pharmacy. Pharmacies have been notified that they must attempt to collect the co-payment, but can not refuse to dispense the prescription if the individual is unable to pay. If there is a history of non-payment, the pharmacy may stop serving the individual, with prior notice.

We have implemented an extensive provider and recipient education program about the pharmacy co-payment, to minimize confusion and implementation issues. All Medicaid and KCHIP recipients were notified about the pharmacy co-payment along with their June and July Medicaid cards. Pharmacists and other Medicaid providers were notified by letter this month. We have also been working very closely with Kentucky's pharmacy professional associations to educate their members. We have provided posters about the co-payment requirements to pharmacies and DCBS offices. One press release has already gone out, and we plan to issue another press release at the end of July.

We held videoconference training sessions about the pharmacy co-payment for all DCBS eligibility workers in late June, since they are the front line contact people for Medicaid applicants and recipients. In addition, we have provided a videotape to DCBS offices to use as an education tool with applicants for Medicaid or KCHIP. In addition to the pharmacy co-payment, the video provides information about choosing a KenPAC provider, how to use the Medicaid or KCHIP card, emergency care, the importance of preventive care, and how to work with the DCBS worker.

We hope you will assist us by sharing accurate information about the pharmacy co-payment with your colleagues and with Medicaid or KCHIP recipients with whom you work. If you have any questions, please contact Mike Robinson, Medicaid Commissioner, at 502/564-4321 or me at 502/564-7042.

Sincerely,



Marcia R. Morgan
Secretary

cc: Mike Robinson